

CITY OF WHEATON
TRAVERSE COUNTY
STATE OF MINNESOTA

Council member SALBERG introduced the following resolution and moved its adoption:

RESOLUTION NO. NA

RESOLUTION ADOPTING A MODIFIED POLICY AND
CRITERIA FOR GRANTING BUSINESS SUBSIDIES

BE IT RESOLVED By the City Council ("Council") of the City of Wheaton, Minnesota ("City") as follows:

Section 1. Recitals.

1.01. Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Act") requires the adoption of a policy and criteria for the granting of business subsidies as defined in the Act; and,

1.02. The City has determined that it is necessary and appropriate to adopt a modified business subsidy policy and criteria (the "Policy") pursuant to the Act; and,

1.03. The City has performed all actions required by law to be performed prior to the adoption and approval of the Policy, including the holding of a public hearing upon published notice on April 12, 2007, as required by law.

Section 2. City Approval; Further Proceedings

2.01. The Policy, attached as Exhibit A hereto, is hereby approved, ratified, established, and adopted and shall be placed on file at City Hall.

2.02. The City Administrator is authorized and directed to file a copy of the Policy, along with annual reports, with the Minnesota Department of Employment and Economic Development, pursuant to the Act.

The motion for the adoption of the foregoing resolution was duly seconded by Council member ZIMMEL, and upon a vote being taken thereon, the following voted in favor thereof:

WEICK, RIKIMOTO AND ANTRIM

and the following voted against the same:

NONE

Dated: April 12, 2007

Janet L. Weick
Janet Weick, Mayor
(Seal)

ATTEST:

Jamie Beyer
Jamie Beyer, City Administrator

**WHEATON ECONOMIC DEVELOPMENT AUTHORITY
CITY OF WHEATON
TRAVERSE COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. NA

**RESOLUTION ADOPTING A MODIFIED POLICY AND
CRITERIA FOR GRANTING BUSINESS SUBSIDIES**

WHEREAS, Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Act") requires the adoption of a policy and criteria for the granting of business subsidies as defined in the Act; and,

WHEREAS, the Wheaton Economic Development Authority (the "EDA") has determined that it is necessary and appropriate to adopt a modified business subsidy policy and criteria (the "Policy") pursuant to the Act; and,

WHEREAS, the EDA has performed all actions required by law to be performed prior to the adoption and approval of the Policy, including the holding of a public hearing upon published notice on April 12, 2007, as required by law.


NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the EDA as follows:

1. The Policy, attached as Exhibit A hereto, is hereby approved, ratified, established, and adopted and shall be placed on file at City Hall.
2. The City Administrator is authorized and directed to file a copy of the Policy, along with annual reports, with the Minnesota Department of Employment and Economic Development, pursuant to the Act.

Approved by the Board of Commissioners of the Wheaton Economic Development Authority this 11th day of April, 2007.


Chair

ATTEST:


Secretary

BUSINESS SUBSIDY POLICY AND CRITERIA

WHEATON ECONOMIC DEVELOPMENT AUTHORITY
and the
CITY OF WHEATON

STATE OF MINNESOTA

Adopted:	April 29, 2004
Public Hearing for Modified Policy:	April 12, 2007
Modified Policy Adopted:	April 12, 2007



Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

WHEATON ECONOMIC DEVELOPMENT AUTHORITY

and the

CITY OF WHEATON

BUSINESS SUBSIDY POLICY AND CRITERIA

(As Modified April 12, 2007)

PREAMBLE. Whenever the City of Wheaton (the "City") **and/or Wheaton Economic Development Authority (the "EDA")** invests public funds or agrees to voluntarily forfeit tax or other revenue that benefit private development projects, those projects should create the greatest number of FTE jobs that pay a living wage possible for the residents of the City and the surrounding region. City **and/or EDA** policy makers must keep the critical need for living wage FTE jobs the priority whenever public dollars are invested in a private business or development project.

BUSINESS SUBSIDY PUBLIC PURPOSE. The public purposes of this Policy shall be to accomplish the following on behalf of the **City and/or EDA**:

1. Enhance economic growth in this area;
2. Create high quality manufacturing job growth in this area; and
3. Retain high quality manufacturing jobs in this area.

This Policy is adopted in compliance with M.S. § 116J.994 Subd. 2. A copy of this Policy shall be submitted to the Minnesota Department of Employment and Economic Development ("DEED") along with the first annual Business Subsidy Report (as hereinafter defined).

PRINCIPLES OF BUSINESS SUBSIDY IMPLEMENTATION. The City **and/or EDA** shall target its business subsidy assistance to businesses that demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees and to City residents, where applicable, by giving priority to those businesses over businesses that have not traditionally paid living wages.

The City **and/or EDA** shall focus its business subsidy assistance only to businesses which agree to comply with annual business subsidy reporting requirements as required by the JOBZ Statute (as hereinafter defined) and/or as required by the Business Subsidy Statute (as hereinafter defined).

All other things being equal and to the extent legally possible, the City **and/or EDA** shall give preferential treatment for business subsidies to business that engage in responsible labor relations defined as neutrality on union organizing.

Although the primary purpose of this Policy is the creation of living wage jobs, we cannot achieve our economic development goals without a trained and ready workforce and adequate childcare. The City **and/or EDA** shall commit to assist businesses to obtain trained and work-ready employees through the DEED Workforce Development Centers; MNSCU and other services; and to facilitate access to childcare.

The City and/or EDA agrees to require that a Qualified Business (as hereinafter defined) shall not compete with or displace local businesses currently operating within the City.

PURPOSE. The purpose of this policy and criteria is to establish the City of Wheaton (the "City") and the Wheaton Economic Development Authority, Minnesota's (the "EDA") position as it relates to business subsidies under the Job Opportunity Building Zones Act pursuant to Minnesota Statutes, Sections 469.310 through 469.320 (the "JOBZ Act") and the general Business Subsidy Act pursuant to Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Business Subsidy Act", and with the JOBZ Act, the "Acts"). This policy and criteria shall be used as a guide in processing and reviewing applications requesting business assistance. A copy of this policy shall be submitted to the Minnesota Department of Employment and Economic Development or a successor entity ("DEED") along with the first annual report.

The City and the EDA shall have the option of amending or waiving sections of this policy and criteria when determined necessary or appropriate. The Business Subsidy Act allows the City and the EDA to deviate from its criteria by documenting in writing the reason for the deviation and attaching a copy of the document to its next annual report to DEED.

Meeting all or a majority of the criteria, however, does not mean that the business subsidy will be awarded or denied by the City or the EDA. The City and the EDA maintain their ability to approve or reject a business subsidy at their discretion, based on the merits of the project and the overall benefit to the community, using the criteria as a means of measuring overall benefit.

STATUTORY LIMITATIONS. In accordance with the City and EDA's Business Subsidy Policy and Criteria, assistance requests must comply with applicable laws of the State of Minnesota.

Any amendments or modifications to the Acts shall amend or modify the terms and definitions of this policy and criteria without any further actions of the City and the EDA.

I. DEFINITIONS. The following defined terms apply equally to all business subsidies. Any terms not defined herein shall have the meanings set forth in the Acts.

"Authorized Business Subsidy Signatory" means the Mayor of the City, the person who is authorized by this Policy to execute Business Subsidy Agreements on behalf of the City.

"JOBZ Business Subsidy" means tax exemptions or tax credits available to a Qualified Business located in a Zone designated under the JOBZ Statute. JOBZ Business Subsidies shall include:

1. Exemption from individual income taxes as provided under M.S. § 469.316;
2. Exemption from corporate franchise taxes as provided under M.S. § 469.317;
3. Exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in M.S. § 297A.68, subdivision 37;
4. Exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under M.S. § 297B.03;
5. Exemption from the property tax as provided in M.S. § 272.02, subdivision 64;
6. Exemption from the wind energy production tax under M.S. § 272.029, subdivision 7; and

7. The jobs credit allowed under M.S. § 469.318.

"Business Subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy Statute. Business Subsidies may include, but are not limited to:

1. Loan;
2. Grant;
3. Tax abatement;
4. TI or other tax reduction or deferral;
5. Guarantee of payment;
6. Contribution of property or infrastructure;
7. Preferential use of governmental facilities;
8. Land contribution; and
9. Other specified subsidy.

Business Subsidies do not include the following:

1. assistance of less than \$25,000.
2. assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location or similar general criteria;
3. public improvements to buildings or lands owned by the City **and/or** EDA that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. redevelopment property polluted by contaminants as defined in M.S. § 116J.552, subd. 3.
5. assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance to designated historic preservation sites or districts, provided that the assistance is equal to or less than 50% of the total cost of the development;
6. assistance to provide job readiness and training services;
7. assistance for housing;
8. assistance for pollution control or abatement, including assistance for a TIF hazardous substances sub-district;

9. assistance for energy conservation;
10. tax reductions resulting from conformity with federal tax law;
11. workers compensation and unemployment compensation;
12. benefits derived from regulation;
13. indirect benefits derived from assistance to educational institutions;
14. funds from bonds allocated under M.S., Chapter 474A refunding bonds and 501(c)(3) bonds;
15. assistance for collaboration between a Minnesota higher education institution and a business;
16. assistance for a tax increment financing soils condition district as defined under M.S.469.174, subd. 19;
17. redevelopment when the Recipients or Qualified Business' investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
18. general changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. federal assistance until the assistance has been repaid to and reinvested by the local governmental unit;
20. funds from dock or wharf bonds issued by a seaway port authority;
21. business loans or loan guarantees of \$75,000 or less;
22. federal loan funds provided through the U.S. Economic Development Administration; and
23. for the taxable year or for taxes payable during the year in which the requirements were not met.

"Business Subsidy Agreement" means a binding written agreement between the Qualified Business and the City complying with the requirements of the Business Subsidy Statute and containing such other terms and conditions as may be negotiated between the Qualified Business and the Economic Development Agent on behalf of the City.

"Benefit Date" the later of either the date on which the Business Subsidy Agreement is executed or the date on which any amount of Business Subsidy is first provided to the Business Subsidy Recipient.

"Business Subsidy Report" means the report submitted by the City **and/or EDA** to DEED each year for each business receiving a Business Subsidy in the City. The report is submitted by the City **and/or EDA** in order to comply with M.S. § 1165.994 Subd. 7(b).

"Business Subsidy Statute" means M.S. §§ 116J.943 -116J.995.

"Criteria" means the equitably applied, uniform standards by which the Economic Development Agent and the City base their decision to award any Business Subsidy to a private business or development project establishing a business and creating jobs in the Subzone within the City.

"Economic Development Agent" means the Wheaton Economic Development Authority which is hereby empowered to solicit market, initiate and negotiate Business Subsidy Agreements on behalf of the City.

"JOBZ Statute" means M.S. §§ 469.310 - 469.320.

"Living Wage Job" shall mean a job which pays wages that total at least the rate of 110% of the current poverty level for a family of four.

"Operation Start Date" shall mean the date by which the Qualified Business begins its operations in the Subzone as evidenced by constructing a facility or relocating to an existing building in a facility and beginning revenue generating operations and/or hiring employees.

"Person" includes an individual, corporation, partnership, Limited Liability Company, association or any other entity.

"Qualified Business" means a Person that carries on a trade or business at a place of business located within a Zone and complies with the reporting requirements specified by M.S. § 469.313 Subd. 2. (5); and shall comply with the criteria in this Policy; and shall also mean "Recipient" as defined by the Business Subsidy Statute. A Qualified Business shall not include a retail business, a low-wage service business, an agricultural production business, or a business that pays less than the living wage defined in this Policy.

"Recipient" means any business entity that receives a Business Subsidy and that has entered into a Business Subsidy Agreement with the City **and/or EDA**.

"Relocating Business" means a trade or business that ceases one or more operations or functions at another location in Minnesota that is not within a Zone and begins performing substantially the same operations or functions at a location in a Zone, or which reduces employment at another location in Minnesota which is not located within a Zone during a period starting one year before and ending one year after it begins operations in a Zone and its employees in the Zone are engaged in the same line of business as the employees at the location where it reduces employment. A Relocating Business does not include any business entity that is substantially similar in operation or ownership to the business entity seeking to be a Qualified Business under this Policy.

"Relocation Agreement" means a binding written agreement between a Relocating Business and the Commissioner of Employment and Economic Development (the "Commissioner") pledging that the Relocating Business shall either: (a) increase full-time or full-time equivalent employment in the first full year of operation within the Zone by at least 20 percent measured relative to the operations that were relocated and maintains the required level of employment for each year the Zone designation applies, or (b) make a capital investment in the property located within the Zone equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year; and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.

(As Modified April 12, 2007)

"Relocation Agreement" means a binding written agreement between a Relocating Business and the Commissioner of DEED pledging that the qualified business shall meet the requirements of the JOBZ Act, which means they increases full-time employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies. If this requirement is not met the Relocation Agreement must provide for repayment of all tax benefits.

"Subzone" means the parcel or parcels of land located with the boundaries of the City which are to receive certain JOBZ Business Subsidies under the JOBZ Statute. The Subzone is located with a Zone which has been designated by the Commissioner pursuant to the JOBZ Statute.

"Zone" means a Job Opportunity Building Zone or an Agricultural Processing Facility Zone designated by the Commissioner under M.S. § 469.314.

II. BUSINESS SUBSIDY REQUIREMENTS. The City adopts the following business subsidy policies:

1. Any time the City provides a Business Subsidy to a Qualified Business or Recipient, that business is subject to the wage levels, job creation and other criteria set forth in this Policy and specified in the Business Subsidy Agreement entered into with the City. In the event of a conflict between the requirements of the Business Subsidy Statute and the JOBZ Statute, the requirements of the JOBZ Statute shall be controlling.
2. The Recipient, in the case of a quantifiable non-JOBZ Business Subsidy, shall create and retain such number of full-time Living Wage Jobs as may be required by the City as a condition to receiving such subsidy.
3. The Qualified Business, in the case of a JOBZ Business Subsidy that is non-quantifiable at the time of the Business Subsidy Agreement is executed, must create and retain for the duration of the Subzone, such number of FTE Living Wage Jobs as may be required by the City and set forth in the Business Subsidy Agreement or Relocation Agreement.
4. The Qualified Business shall be identified in the Business Subsidy Agreement as a:
 - a. Trade or business located in and operating in the Subzone at the time of Subzone designation; OR
 - b. New trade or business start-up located with the Subzone; OR
 - c. Business expanding in the Subzone which is a business that maintains its current operations in its current location and is expanding its operations and its payroll within the Subzone; OR
 - d. A business relocating from another state; OR
 - e. A business relocating from another Minnesota non-Zone location to the Subzone.
5. The City may deviate from wage and job criteria in Section II, by documenting the reason in

writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED. In addition, the City may amend this Policy in its discretion from time to time.

6. The City shall have as a goal under this Policy the creation of FTE jobs for residents of the City and surrounding area.
7. The City hereby authorizes the Economic Development Agent to act as its representative for purposes of soliciting, marketing, initiating and negotiating Business Subsidy Agreements on its behalf. All Business Subsidy Agreements must first be approved by the Board of the Economic Development Agent. If a Business Subsidy Agreement is approved by the Board of the Economic Development Agent, then such Agreement must be approved by the City Council of the City. After the City Council has approved a Business Subsidy Agreement, the Mayor of the City is authorized to sign the Agreement on behalf of the City.
8. To be eligible to receive a JOBZ Business Subsidy, a Qualified Business or Recipient must operate or propose to operate a trade or business in the Subzone which has manufacturing as its principal business activity. Notwithstanding the foregoing, such Qualified Business or Recipient may sell at retail from their manufacturing facility within the Subzone all or part of the products which they manufacture at such facility.
9. The Qualified Business or Recipient may not be in default in the payment or performance of any of its debts, liabilities or obligations to the City or the Economic Development Agent.
10. The Qualified Business or Recipient must meet all financial and development guidelines established by the City and/or Economic Development Agent from time to time for other loan programs, including guidelines for wages, benefits, job creation and land use.
11. The Qualified Business or Recipient may not have been turned down for other economic development programs sponsored, maintained or participated in by the Economic Development Agent from time to time.
12. The City shall require all businesses receiving a Business Subsidy to comply with the following:
 - a. The business shall attend a properly noticed public hearing shall be held by the City as provided by M.S. § 116J.994, when the value of the subsidy does or is expected to exceed \$100,000 from local sources. The purpose of the hearing shall be held to identify and define the criteria that the Qualified Business or Recipient shall meet in order to be eligible to receive a Business Subsidy or become a Qualified Business for purposes of the JOBZ Statute. The hearing shall specify the subsidy provided, public purpose(s) that shall be achieved by offering the subsidy, and shall specify the measurable, specific, and tangible goals committed to by the Qualified Business. As provided by M.S. § 116J.994, Subd. 5., a public notice shall be published in print and if possible, on the internet, at least 10 days prior to the hearing, identifying the location, date time and place of the hearing; and providing information about the Business Subsidy proposed, including a summary of the terms of the subsidy.
 - b. If the business is qualified to receive JOBZ Business Subsidy, that business shall agree to continue operations in the Subzone for the duration of the job zone term.

- c. If the Qualified Business or Recipient is a Relocating Business, the business shall be required to enter into a Relocation Agreement with the Commissioner of DEED.
- d. Each Qualified Business or Recipient must enter into a Business Subsidy Agreement with the City.
- e. The business shall identify an Operation Start Date when business operations for the proposed Qualified Business are planned to begin in the Subzone.

(As Modified April 12, 2007)

III. ELIGIBLE USES FOR THE RECEIPT OF BUSINESS ASSISTANCE. As a matter of adopted policy, the City or the EDA will consider using a business assistance tool to assist private developments only in those circumstances in which the proposed private projects meet one or more of the following uses:

- 1. To redevelop blighted or under-utilized areas of the community.
- 2. To meet the following housing-related uses:
 - a. To provide a diversity of housing not currently provided by the private market.
 - b. To provide a variety of housing ownership alternatives and housing choices.
 - c. To promote affordable housing for low or moderate-income individuals.
 - d. To promote community stabilization and revitalization by the removal of blight and the upgrading in existing housing stock in residential areas.
- 3. To remove blight and encourage redevelopment in the commercial and industrial areas of the City in order to encourage high levels of property maintenance and private reinvestment in those areas.
- 4. To enhance economic growth by increasing the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents while lessening the reliance on residential property tax.
- 5. To retain high quality local jobs, create high quality local job growth, and provide diversity in that job base.
- 6. To increase the local business and industrial market potential of the City.
- 7. To encourage additional unsubsidized private development in the area, either directly, or through secondary "spin-off" development.
- 8. To offset increased costs of redevelopment, over and above those costs that a business would incur in normal development.
- 9. To accelerate the development process and to achieve development on sites which would not be developed without this assistance.

IV. BUSINESS ASSISTANCE PROJECT APPROVAL CRITERIA. All new projects approved by the City or EDA should meet the following mandatory minimum approval criteria. However, it should not be presumed that a project meeting these criteria would automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer.

1. The assistance shall be provided within applicable state legislative restrictions, State Auditor interpretation, debt limit guidelines, and other appropriate financial requirements and policies.
2. The project should meet one or more of the uses identified in Section III, Eligible Uses for the Receipt of Business Assistance.
3. The project must be in accordance with the City's comprehensive plan and zoning ordinances, or required changes to the City's comprehensive plan and zoning ordinances must be under active consideration by the City at the time of approval.
4. The assistance will not be provided to projects that have the financial feasibility to proceed without the benefit of the assistance. Assistance will not be provided solely to broaden a business's profit margins on a project. Prior to consideration of a business assistance request, the City or the EDA may undertake an independent underwriting of the project to help ensure that the request for assistance is valid with underwriting costs to be reimbursed by the business in all instances which shall be in addition to the application fee described herein.
5. Prior to approval of business assistance, the business shall provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and other information or data that the City or the EDA or its financial consultants may require in order to proceed with an independent underwriting.
6. Any business requesting business assistance should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed.
7. The business must continue operations of the project for at least five years after the Benefit Date in order to stabilize its occupancy, to establish the project management, and to initiate repayment of the business assistance. If the business is a Qualified Business, that business shall agree to continue to operate in the City for the duration of the Zone.
8. The level of business assistance funding should be reduced to the lowest possible level and least amount of time by maximizing the use of private debt and equity financing first, and then using other funding sources or income producing vehicles that can be structured into the project financing, prior to using additional business assistance funding.

V. BUSINESS ASSISTANCE PROJECT EVALUATION CRITERIA. All projects will be evaluated by the City Council (the "Council") or the EDA Board (the "Board") on the following criteria for comparison with other proposed business assistance projects reviewed by the City or the EDA, and for comparison with other subsidy standards (where appropriate). It is realized that

changes in local markets, costs of construction, and interest rates may cause changes in the amounts of business assistance subsidies that a given project may require at any given time.

Some criteria, by their very nature, must remain subjective. However, wherever possible "benchmark" criteria have been established for review purposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that it is entitled to funding under this policy, but rather that the City or the EDA is in a position to proceed with evaluations of (and comparisons between) various business assistance proposals, using uniform standards whenever possible.

Following are the evaluation criteria that will be used by the City and the EDA:

1. All proposals should, in the opinion of the Council or Board, optimize the private development potential of a site.
2. All proposals should, in the opinion of the Council or the Board, create the highest feasible number of jobs on the site.
3. Business assistance will not be provided when the relocating or new business requesting assistance would be in direct competition with an established business in the community.
4. All proposals should, in the opinion of the Council or the Board, create the highest possible ratio of property taxes paid before and after redevelopment. Given the different assessment circumstances in the City, this ratio will vary widely.
5. Proposals should usually not be used to support speculative industrial, commercial, and office projects.
6. Assistance will usually not be used in a project that involves an excessive land and/or property price.
7. All business assistance projects will need to meet the "but for" test. Assistance will not be used unless the need for the City's or EDA's economic participation is sufficient that, without that assistance the project could not proceed in the manner as proposed.
8. Business assistance will not be used when the business's credentials, in the sole judgment of the City or EDA, are inadequate due to past track record relating to: completion of projects, general business reputation and/or bankruptcy, or other problems or issues considered relevant by the City or the EDA.
9. Business assistance will not normally be used for projects that would generate significant environmental problems in the opinion of the local, state, or federal governments.
10. Business assistance funding should not be provided to those projects that fail to meet good public policy criteria as determined by the Council or the Board, including: poor project quality; projects that are not in accord with the comprehensive plan, zoning, redevelopment plans, and City policies; projects that provide no significant improvement to surrounding land uses, the neighborhood, and/or the City; projects that do not have significant new, or retained, employment; projects that do not meet

financial feasibility criteria established by the City and the EDA; and projects that do not provide the highest and best use for the property.

11. Except where job creation or job retention is not a goal, all projects receiving business assistance must create a minimum of one new full-time equivalent job in the community with a minimum wage of at least the federal minimum wage rate per hour within two years from the Benefit Date.
12. In the case where job creation or job retention is not a goal, the business must meet at least one of the following minimum requirements:
 - a. The Business Subsidy accomplishes the removal, rehabilitation or redevelopment of, or prevention of development or spread of, a blighted area as defined by Minnesota Statutes, Section 469.002, Subdivision 11, or constitutes a cost of correcting conditions that permits designation of a redevelopment district or renewal and renovation district under Minnesota Statutes, Section 469.174 to 469.179; or
 - b. The Business Subsidy improves public infrastructure or public facilities, including without limitation streets, sewers, storm sewers, streets, parks, recreational facilities, and other City facilities; or
 - c. The Business Subsidy removes physical impediments to development of land, including without limitation poor soils, bedrock conditions, steep slopes, or similar geotechnical problems.

The above requirements must be expressed as specific, measurable and tangible goals in each Business Subsidy Agreement. The job and wage goals that would otherwise be required may be set at zero. In addition, in the case where a business is qualified to receive job opportunity building zone tax benefits, the requirements of a Relocation Agreement must be met.

13. Any Business Subsidy Recipient must pay back assistance received if the job and wage goals or other specified goals are not met within two (2) years of the Benefit Date or such time as permitted by the Acts as they may be amended. For all Business Subsidies, assistance provided by the city or the EDA must be paid back, with interest as determined in the Business Subsidy Act, to the City or the EDA, or at the City or EDA's request, to the account created under the Business Subsidy Act. Any repayment may be prorated by the City or the EDA to reflect partial fulfillment of goals. The City or the EDA may, after a public hearing, extend the period for meeting job and wage goals for up to one year and may pursuant to the procedure in the Acts, extend the period for meeting other goals for any period specified by the City or the EDA. For JOBZ Business Subsidies, state tax exemptions must be paid back to the State of Minnesota and property tax exemptions paid back to the Subzone County, all pursuant to the JOBZ Act. The Commissioner of DEED may waive, without a hearing, the necessity of such state and county repayment if in consultation with the City or the EDA officials the Commissioner determines that requiring repayment is not in the best interest of the state or City and/or EDA and the business ceased operating as a result of circumstances described in the JOBZ Act.